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## German Coal Quotas to Hit Ship Market

Charter Cancellations  
Expected to Spread  
In Tramp Trades

Wholesale cancellation of existing contracts for ocean shipping chartered to move coal from the United States to the Continent will almost inevitably result from the West German Government's decision to impose a \$4.76 per ton duty on coal imported from outside the European Coal and Steel Community in excess of a 5 million ton annual quota, in the opinion of shipping men.

Just how the cancellations will be negotiated and the extent of compensation — if any — ship-owners can expect has yet to be established.

In 1947 the Belgian Government cancelled contracts for U.S. coal and shippers failed to obtain any compensation whatsoever because the move was categorized as "force majeure," a contract clause eliminating the responsibility of shippers.

### Comes at Bad Time

Prospects of large-scale charter cancellations, which are likely to be mainly in the time charter section, comes at a bad time for the shipping industry.

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the import quota of duty free coal from 4,250,000 tons to five million tons, complying with a suggestion of the High Authority of the European Coal and Steel Pool.

Unsold stocks of coal and coke in West Germany totaled about 13,400,000 tons which was about one month's production.

The increase in the duty free quota for countries outside the Coal and Steel Community required a clause in the law to be changed to read that 34 per cent of the average amount imported from individual countries from 1956 to 1958 would be duty free instead of 50 per cent of the average imported from 1950 to 1958.

### UK Quota Cut

Although the total duty free quota has been increased the new method of calculation, based on the average figures for the years 1956 to 1958, means that coal imports from Britain under the quota will be less than under the original scheme. They are expected to be about 200,000 tons instead of 411,000 tons.

This is because British coal deliveries to West Germany have

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